PRELIOS S.P.A.

Registered Office in Milan, Viale Piero e Alberto Pirelli no. 25
Milan Companies Register no. 02473170153

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www.prelios.com

Illustrative report prepared by the Directors under the terms of Art. 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions, on the proposed resolutions at point 2) of the ordinary agenda of the Ordinary and Extraordinary Shareholders' Meeting called on 17 April 2012

Illustrative report prepared by the Directors under the terms of Art. 125-*ter* of Italian Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and additions.

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Appointment of a Director and/or reduction in the number of members of the Board of Directors. Related and consequent resolutions.

Dear Shareholders,

You are reminded that, on 11 November 2011, Mr Giulio Malfatto resigned from the position of Director and Deputy Chairperson of the Company.

In this regard, the Board of Directors did not consider it necessary to proceed to replace him - under the terms of Art. 2386, section 1, of the Italian Civil Code, expressly referred to in Art. 12 of the By-laws - considering it opportune to propose, on the occasion of the subsequent Shareholders' Meeting, to reduce the number of Directors.

It should be recalled that Art. 12 of the By-laws states that the Company shall be administered by a minimum number of 5 directors and that, in this specific circumstance, the list voting mechanism provided for under the terms of the law, as transposed by the said Art. 12 of the By-laws does not in any case apply.

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If you agree with our proposal, we invite you therefore to approve the following

RESOLUTION

"The Ordinary Shareholders' Meeting:

- acknowledging the resignation from the position of Director presented by Mr Giulio Malfatto;
- having assessed and agreed with the Directors' proposal;

RESOLVES

to reduce the number of members of the Board of Directors of the Company from 15 (fifteen), as resolved at the Shareholders' Meeting of 21 April 2011, to 14 (fourteen)."